



MESL & CPI CHANGES

CHANGING COST OF AN MESL

As discussed in the MESL 2017 Update Report, the cost of an MESL changes at a different rate than that indicated by the CPI average change.

The analysis in the Update Report (see pages 4 – 11, pages 10 – 11 in particular) notes a particular divergence between the weighted average change in MESL expenditure need including private rent and childcare and the CPI rate of change for the recent years of accelerated growth in private rents.

In the last four years of accelerated growth in private rents, the cost of an MESL increased by 8.3%. Over the same period minor fluctuations in the overall CPI resulted in a cumulative effect of no change. Consequently, over the last four years the CPI has under-estimated the change in the expenditure required for an MESL (where private rent and childcare are required) by 8.3 percentage points.

The attached tables provide a summary of the data which underpins this finding.

| MESL | <i>Including Housing (Private Rent) & Childcare. Excluding effect of secondary benefits</i> | | | | | | | | | | URBAN |
|------|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|-------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | |
| SA | 463.52 | 452.44 | 408.41 | 395.11 | 400.17 | 404.04 | 412.00 | 424.80 | 442.71 | 454.06 | |
| CP | 594.55 | 582.67 | 537.12 | 526.93 | 536.10 | 542.10 | 551.21 | 562.89 | 581.38 | 588.51 | |
| TP+1 | 929.28 | 928.53 | 842.06 | 830.10 | 844.48 | 854.99 | 863.84 | 885.05 | 904.16 | 911.79 | |
| TP+2 | 1,067.29 | 1,067.25 | 936.25 | 928.39 | 944.11 | 951.72 | 959.20 | 972.38 | 994.88 | 999.15 | |
| TP+3 | 1,381.82 | 1,392.95 | 1,231.58 | 1,225.02 | 1,244.44 | 1,252.63 | 1,260.53 | 1,275.55 | 1,297.81 | 1,303.54 | |
| TP+4 | 1,217.24 | 1,204.20 | 1,116.98 | 1,110.89 | 1,125.51 | 1,135.65 | 1,140.41 | 1,144.11 | 1,167.97 | 1,163.06 | |
| OP+1 | 641.69 | 633.57 | 569.30 | 554.28 | 563.43 | 573.26 | 581.60 | 601.61 | 622.33 | 630.67 | |
| OP+2 | 804.86 | 788.10 | 725.47 | 714.07 | 722.74 | 729.45 | 734.05 | 742.34 | 763.10 | 766.80 | |
| LP | 473.21 | 468.85 | 417.87 | 404.73 | 410.51 | 416.21 | 424.48 | 439.26 | 456.00 | 465.80 | |
| PC | 540.43 | 536.81 | 483.14 | 471.69 | 478.47 | 485.52 | 494.47 | 513.31 | 527.49 | 533.16 | |

MESL % ANNUAL CHANGE

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|----------------------|------|-------|--------|-------|------|------|------|------|------|-------|
| SA | | -2.39 | -9.73 | -3.26 | 1.28 | 0.97 | 1.97 | 3.11 | 4.22 | 2.56 |
| CP | | -2.00 | -7.82 | -1.90 | 1.74 | 1.12 | 1.68 | 2.12 | 3.28 | 1.23 |
| TP+1 | | -0.08 | -9.31 | -1.42 | 1.73 | 1.24 | 1.03 | 2.46 | 2.16 | 0.84 |
| TP+2 | | -0.00 | -12.27 | -0.84 | 1.69 | 0.81 | 0.79 | 1.37 | 2.31 | 0.43 |
| TP+3 | | 0.81 | -11.58 | -0.53 | 1.58 | 0.66 | 0.63 | 1.19 | 1.75 | 0.44 |
| TP+4 | | -1.07 | -7.24 | -0.54 | 1.32 | 0.90 | 0.42 | 0.32 | 2.09 | -0.42 |
| OP+1 | | -1.26 | -10.15 | -2.64 | 1.65 | 1.75 | 1.45 | 3.44 | 3.44 | 1.34 |
| OP+2 | | -2.08 | -7.95 | -1.57 | 1.21 | 0.93 | 0.63 | 1.13 | 2.80 | 0.48 |
| LP | | -0.92 | -10.87 | -3.14 | 1.43 | 1.39 | 1.99 | 3.48 | 3.81 | 2.15 |
| PC | | -0.67 | -10.00 | -2.37 | 1.44 | 1.47 | 1.84 | 3.81 | 2.76 | 1.07 |
| WEIGHTED MESL CHANGE | | -1.05 | -9.88 | -1.96 | 1.55 | 1.10 | 1.38 | 2.40 | 3.01 | 1.25 |

Cumulative Change in MESL, %

| | <i>Including Housing (Private Rent) & Childcare. Excluding effect of secondary benefits</i> | | | | | | | | | |
|------|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|--------|
| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| 2008 | 100.00 | 98.95 | 89.18 | 87.43 | 88.79 | 89.76 | 91.01 | 93.20 | 96.00 | 97.20 |
| 2009 | | 100.00 | 90.12 | 88.35 | 89.72 | 90.71 | 91.97 | 94.18 | 97.02 | 98.23 |
| 2010 | | | 100.00 | 98.04 | 99.56 | 100.66 | 102.05 | 104.50 | 107.65 | 108.99 |
| 2011 | | | | 100.00 | 101.55 | 102.67 | 104.09 | 106.60 | 109.80 | 111.17 |
| 2012 | | | | | 100.00 | 101.10 | 102.50 | 104.97 | 108.13 | 109.48 |
| 2013 | | | | | | 100.00 | 101.38 | 103.82 | 106.95 | 108.28 |
| 2014 | | | | | | | 100.00 | 102.40 | 105.49 | 106.80 |
| 2015 | | | | | | | | 100.00 | 103.01 | 104.30 |
| 2016 | | | | | | | | | 100.00 | 101.25 |

Cumulative Change in CPI, %

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| 2008 | 100.00 | 97.40 | 94.38 | 97.21 | 99.35 | 99.85 | 100.05 | 99.45 | 99.15 | 99.84 |
| 2009 | | 100.00 | 96.90 | 99.81 | 102.00 | 102.51 | 102.72 | 102.10 | 101.80 | 102.51 |
| 2010 | | | 100.00 | 103.00 | 105.27 | 105.79 | 106.00 | 105.37 | 105.05 | 105.79 |
| 2011 | | | | 100.00 | 102.20 | 102.71 | 102.92 | 102.30 | 101.99 | 102.71 |
| 2012 | | | | | 100.00 | 100.50 | 100.70 | 100.10 | 99.80 | 100.50 |
| 2013 | | | | | | 100.00 | 100.20 | 99.60 | 99.30 | 100.00 |
| 2014 | | | | | | | 100.00 | 99.40 | 99.10 | 99.80 |
| 2015 | | | | | | | | 100.00 | 99.70 | 100.40 |
| 2016 | | | | | | | | | 100.00 | 100.70 |

Percentage Change Over 12 Months for CPI, March

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|-----|------|-------|-------|------|------|------|------|-------|-------|------|
| CPI | 5.00 | -2.60 | -3.10 | 3.00 | 2.20 | 0.50 | 0.20 | -0.60 | -0.30 | 0.70 |

Source: CSO Consumer Prices Monthly Series CPM16

<http://www.cso.ie/px/pxeirestat/Statire/SelectVarVal/Define.asp?maintable=CPM16&PLanguage=0>

| CUMULATIVE | 2013 | 2014 | 2015 | 2016 | 2017 |
|------------------------------|------|------|-------|-------|-------|
| CPI | 0.00 | 0.20 | -0.40 | -0.70 | -0.00 |
| MESL (Private Rent & Childca | 0.00 | 1.38 | 3.82 | 6.95 | 8.28 |

